



Legislation Text

File #: 17-1254, **Version:** 2

Ordinance No. 17-103 excluding certain property from the Interquest South Business Improvement District. (Legislative Item)

(Legislative)

Presenter:

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Summary:

This is a request for approval of an ordinance to exclude one parcel totaling approximately 2.81 acres from the boundaries of the Interquest South Business Improvement District (the "District"), Lot 1, Interquest Filing No. 7. The City received a Petition to exclude Property executed by the owner. The applicant justification for exclusion is that the property is not reasonably serviced by the District.

This item is related to the following two agenda items which pertain to an authorization of debt by this District and organization of a new BID, which will include this excluded property.

This item will be presented for action at the October 24th, 2017 City Council meeting.

Previous Council Action:

The BID with its initial operating plan and budget were established by Ordinance 04-238 that was adopted by Council on October 26, 2004. In 2009, City Council approved Ordinance 09-21 to include additional property into this BID. On September 22, 2015, Council approved a resolution temporarily appointing two members to the BID board (Resolution 93-15). On this same date, City Council approved Ordinance 15-71 in order to authorize special appointment process. On May 9, 2017 City Council approved a resolution appointing additional members to the Board of Directors (Resolution 54-17). The BID's Operating Plan has been approved annually since that time in accordance with CRS Section 31-25-1211, and most recently in October 2016. Council has not approved issuance of any debt by this BID.

On October 9, 2017, this Ordinance was introduced to City Council during the Work Session.

Background:

BIDs are created under Colorado Statute and City Policy to finance and/or maintain certain public improvements in non-residential areas, utilizing a property tax mill levy as the revenue source. BIDs are separate legal entities from the City, but their budgets and operating plans must be approved annually by the City.

This BID has largely been inactive to-date but development is presently occurring within the BID that will increase its activity level in 2017 and beyond. Although authorized to levy up to 50.0 mills for debt service, to-date the BID has only certified a levy of one mill for operations purposes. This BID

has never issued debt, although it has accumulated developer advances.

Changing the boundaries of a BID by exclusion of property is governed by C.R.S. 31-25-1220, which requires the property owner to petition the governing body of the municipality in which the BID is located. Upon receipt of a petition for exclusion, notice of the petition must be given in accordance with C.R.S. 31-25-1220. The notice must inform all persons having objections to the inclusion to appear at a hearing to show cause why the petition should not be granted. If the governing body (City Council) determines that changing the boundaries of the BID as requested by the petition does not adversely affect the BID, the governing body may grant the petition by ordinance. A certified copy of the ordinance is then filed with the County Clerk and Recorder and the property is then excluded from the boundaries of the BID.

State Statute (Section 31-25-1220, C.R.S.) requires that any exclusions of property from Business Improvement Districts ("BIDs") be approved by the City, by ordinance. In accordance with the statutory section cited above, the petition for exclusion has been verified and arrangements made with the City for legal publication.

Following exclusion of this property from this District, the owner intends to include it as part of a newly created and separate Interquest Town Center BID.

Legal notice of the required City Council hearings is being published as required by State Statute.

Financial Implications:

There should be no direct financial implications to the City from this action. The applicant represents that the developed and developable taxable property remaining in the District is sufficient to meet ongoing and future obligations of the District. As represented by the District, the exclusion of this property should have not have a negative effect on the financial capability of the District to meet its anticipated future financing obligations.

Board/Commission Recommendation:

The City's staff-level Special District Committee has been provided copies of these materials. All comments received have been in support and/or with no stated concerns.

Stakeholder Process:

N/A

Alternatives:

City Council could choose to approve, not approve or modify the proposed ordinance.

Proposed Motion: (for October 24, 2017)

Move to approve an ordinance excluding certain property from the boundaries of the Interquest South Business Improvement District.

An ordinance excluding certain property from the Interquest South Business Improvement District.